



## **PMA Conference**

# **DCMC and EVM Training Track**

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and**

**Tom Bryant, EVMS Center, Carson, CA**



# Agenda

- **Role of DCMC as Executive Agent for EVM**
- **Role of the EVMS Center in supporting the field organizations**
- **Role of the DCMC Program Integrator at the field facility level**
- **Role of DCMC outside Department of Defense**



# Executive Agent for EVM

- **Background**
- **Objectives**
- **CAO Reviews**
- **Contractor Reviews**
- **Future**



# Executive Agent for EVM

- The PMJEG was chartered many years ago to ensure consistent tri-Service implementation of the Cost/Schedule Control Systems Criteria (C/SCSC). It fulfilled that mission well.
- Today, most major Defense contractors' management systems meet the EVMS.
- The occasional new application should not require the stringent tri-Service coordination performed in the past because Department has reaffirmed the earned value management process as the tool of choice for managing risky, cost-based contracts.



# Executive Agent for EVM

- DoD Instruction 5000.2 deleted the requirement for the PMJEG.
- DoD reassigned its responsibilities to the Defense Logistics Agency EVMS focal point organization in the Defense Contract Management Command (DCMC).
- DCMC presented to the Integrated Program Management Initiative Executive Steering Group a plan to transition PMJEG responsibilities from the current committee structure.
- Addressed proposed changes to the Joint Implementation Guide, continued coordination with industry, and redefined DoD Component relationships.



# Executive Agent for EVM

- Each DoD Component still required to implement earned value effectively on its contracts, including performing reviews when necessary.
- Designated to DCMC a Component C/SCSC focal point(s).
- Policy changes were intended to simplify and streamline the review and acceptance process, and to develop a management structure that will encourage responsible, timely innovation.



# Executive Agent for EVM

- INCREASE THE VALUE OF EVMS MANAGEMENT
  - Program Management is our main customer
- ESTABLISH EVMS AS THE BEST IN THE INDUSTRY
  - Recognized by DOD Acquisition and other agencies
  - Recognized by industry peers
- ALIGN EVMS WITHIN CONSISTENT WITH THE GOV'T
  - From Controller to Acquisition / Prog Mgmt
  - From Reporting to Performance Management
  - From Government to Industry Practices
- REDUCE THE COST OF EVMS



# Executive Agent for EVM

- Not all contractors are performing sufficient system surveillance
- Not all CAOs perform joint surveillance
- Not all contractors with policy for implementing EVMS
- On average contractors reluctant to change validated system
- OPPORTUNITY
  - DCMC letters to industry
  - More engagement by Management Councils
  - Challenge industry at conference





# Executive Agent for EVM

- ↑ EVMS analysis integrated into program assessment
- Issues identified without cost/sch impact
- ↓ No analysis
- Not enough CAOs provide “insightful” information
  - Not enough CAO recommendations adopted by PMO
  - Not enough CAOs related EVM information to risk analysis
  - Not enough CAOs perform PMB analysis
  - On average customers don’t seem to want analysis support
  - Majority of customer feedback (trailer cards) very favorable towards DCMC performance



# Executive Agent for EVM

- ↑ EVMS analysis integrated into program assessment
- Issues identified without cost/sch impact
- ↓ No analysis
- More engagement by DCMC liaisons
  - Educate PMOs on EVMS “value added” and DCMC support
  - More PMAC outreach
  - Challenge PMs to raise exceptions for DCMC support
  - Improve CAO - PMO communication
  - Identification of EVMS competencies
  - Provide DCMC field with unique EVMS analysis training



# Executive Agent for EVM

- **Not enough contractors provide access to “Real-Time” EVMS information**
  - **Not enough CAOs integrate technical members of surveillance team into analysis of EVMS information**
  - **On average better practices not being shared**
- **OPPORTUNITY**
  - **Capture and promulgate improved practices across DoD...use PMAC as vehicle**
  - **Push IDE**
  - **Contractor “ownership” should result in improvements**



# Executive Agent for EVM

- **DCMC initiate EVMS Joint Surveillance activity with contractors to facilitate the transition to contractor ownership of EVMS processes.**
- **Initiated DFARS case 96-D024 to change the DFARS language from C/SCSC to EVMS and reduce regulation related to the implementation of EVMS. The case amends DFARS Parts 234, 242 and 252 to provide**
  - **instructions to the procuring contracting officer regarding the review of contractor's proposed EVMS**



# Executive Agent for EVM

- **assignment of DCMC as the responsible organization for verifying initial and continuing contractor compliance with EVMS criteria,**
- **changes to the Cost/Schedule Status Report (C/SSR) and EVMS solicitation provisions and contract clauses.**
- **The DFARS change was finalized in Defense Acquisition Circular 91-13.**
- **Issue the Earned Value Management Implementation Guide. The EVMIG provides DoD activities with guidance on the application of EVMS on DoD programs and the acceptance of contractor's EVMS.**



# Executive Agent for EVM

- **Conducted six regional mini-conferences for educating DCMC personnel (CAO Commanders, EVMS Specialists and Program Integrated Product Team Members) the transition from C/SCSC to EVMS. The conferences concentrated on DCMC's roles and responsibilities in supporting DoD program managers by ensuring contractor's maintain and use their proposed EVMS for management of DoD contracts.**
- **DCMC Policy to field activities regarding communication of changes to contractors and Government program offices**



# Executive Agent for EVM

- **CAO Commander's EVMS Fast Start Kit,**
- **CAOs directed to use Management Councils for initiating EVMS dialogue,**
- **CAO directed to send letters on EVMS transition to contractors and Government program offices.**
- **DCMC Briefings to PEOs**
- **Incorporation of EVMS into Memorandums of Agreement with Program Offices**
- **DCMC Early Contract Administration Services**



# Executive Agent for EVM

- **DCMC opened the EVM Center on January 8, 1998. The EVMS Center is a DoD asset for providing specialized EVMS activities. Since opening the Center has concentrated on improving internal DCMC EVMS competencies, skills and awareness. The Center has been supported DCMC compliance review activity at five contractor facilities.**
- **DCMC participation in industry/professional associations and corporate councils to ensure DoD EVMS activities are consistent with current industry improves practices.**





# Executive Agent for EVM

- This includes participation on the industry committee working to establish an EVMS ANSI standard and a separate effort looking at a global program management standard.
- DCMC establish the Performance Management Advisory Council (PMAC). The PMAC consists of members from government agencies involved in the application of EVMS on their programs.
- The PMAC facilitates resolution of EVMS issues and works to achieve consistent application of EVMS across member organizations.



# Executive Agent for EVM

- **The PMAC will be visiting field organizations to gain feedback on what is or is not working with the current application of EVMS with the first visit being in early June to the Army's Communication and Electronics Command.**
- **DCMC has established Command wide metrics for the tracking of Cost/Schedule performance data for contracts that require EVMS or C/SSR information. The data will be used to identify cost/schedule drivers for major programs and develop strategies for improving major program cost/schedule performance.**



# Executive Agent for EVM

- **Contractor Reviews**
  - **SADARM, Aerojet, Azusa, CA**
  - **NMD, Raytheon, Tuscon, AZ**
  - **MLRS, LM Vought, Grand Prairie, TX**
  - **JDAM, Boeing, St. Louis, MO**
  - **NAVSTAR, LM Federal, Gaithersburg, MA**
  - **ITT, Ft. Wayne, IN**
  - **Orbital Science, Phoenix, AZ**
  - **Kaman, Bloomfield, CT (Australian)**



# **Role of the EVMS Center in Supporting the Field Organizations**



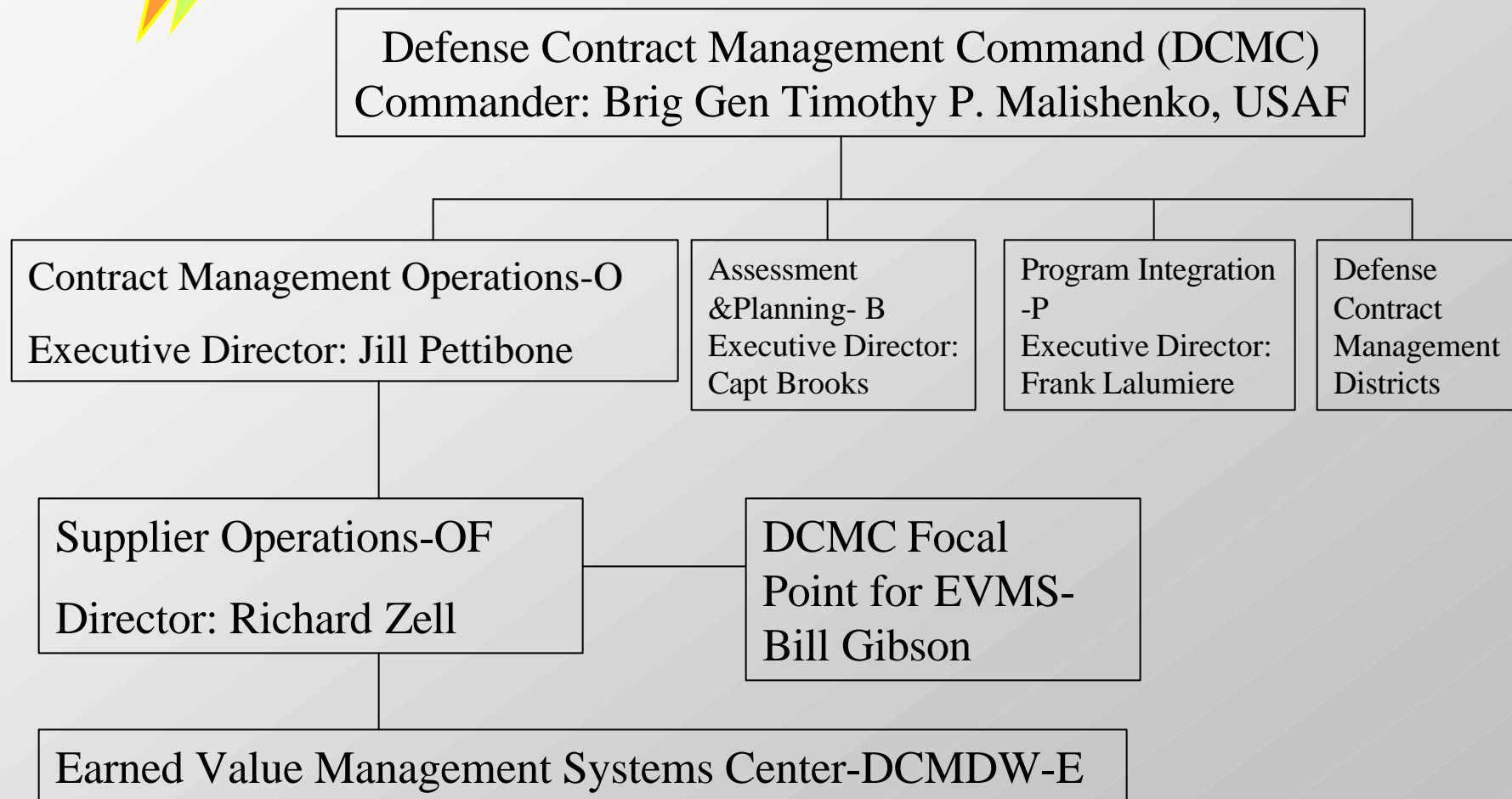
# Role of the EVMS Center

## Introduction

- Organizational relationship of the Center
- Purpose - Maintain and evolve functional knowledge
- General Order summary
- EVMS Reviews
- EVMS Specialized Activities
- Earned Value Management - How do we do this?
- EVMS Center Personnel



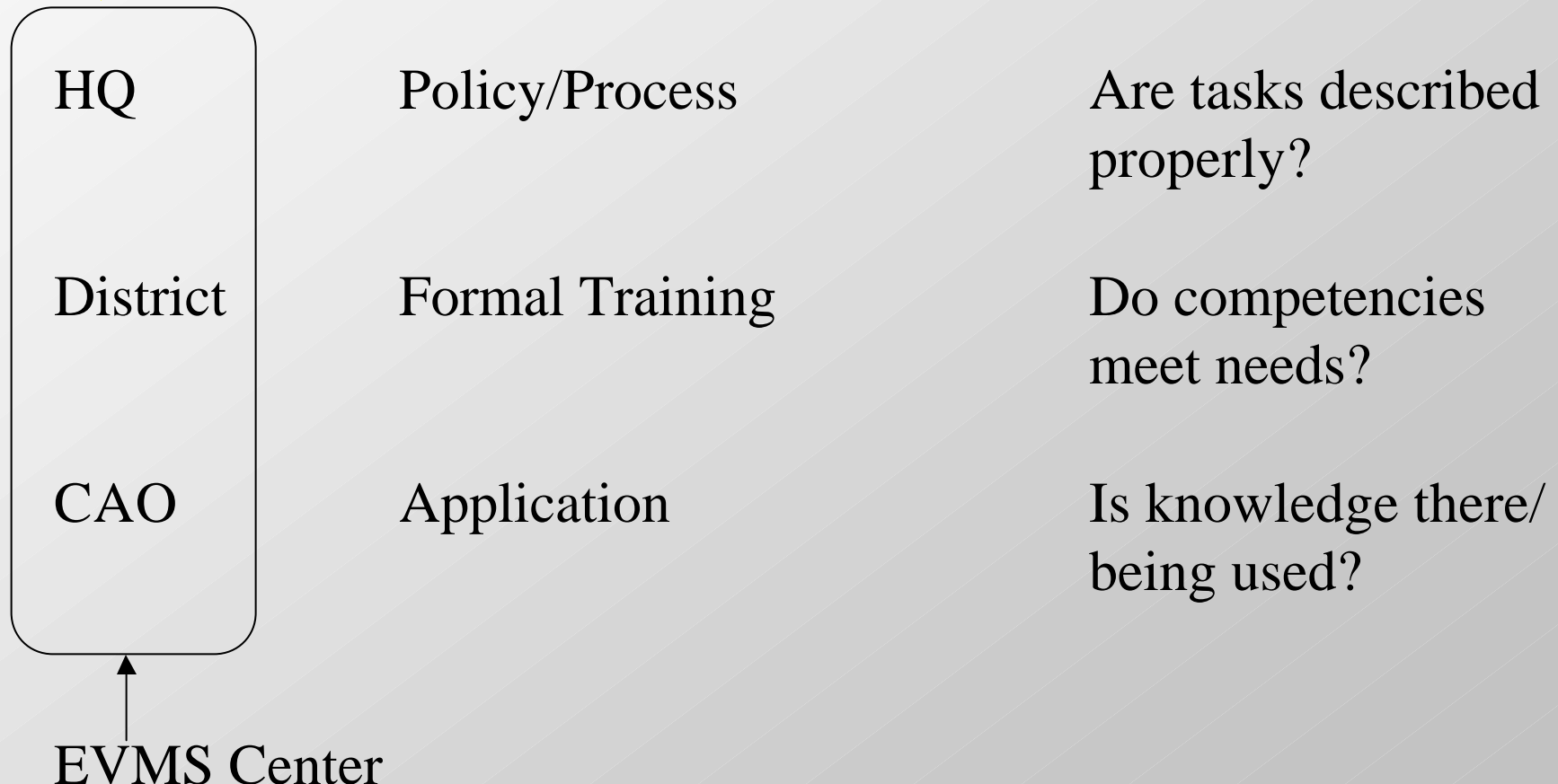
## Role of the EVMS Center





## Role of the EVMS Center

Purpose - Maintain and evolve functional knowledge



- Field advocate at HQ DCMC/PMAC/NDIA sessions



# Role of the EVMS Center

## General Order Summary

- Investment to support DCMC's role as DoD's Executive Agent for Industry compliance to the EVMS criteria
- Center charter is to lead specialized EVMS activity
- Center is responsible for recommending acceptance of contractor systems to CAO Commanders/ACO

## DCMC Role and Responsibilities

- EVMS education and training
- EVMS implementation in both the "pre" and "post" award activities
- EVMS compliance assessments
- Promote Industry ownership of EVMS
- Align DCMC policy and guidance with current policy
- Develop continuity and professionalism in the government EVMS community
- Application of EVMS in international contracting





# Role of the EVMS Center

## EVMS Reviews

- EVMS Acceptance Reviews
- EVMS Compliance Reviews



# Earned Value Management Systems Center

## EVMS Specialized Activities

- DCMC field visits in FY 98
  - 35 CAO's
  - Introduction of the EVMS Center
  - Discussions with EVMS Monitors
- Assessment Review
  - 54 CAO's
  - Self-assessment and team verification
  - Maturity Model developed
  - Other initiatives



## Role of the EVMS Center

### Earned Value Management - How do we do this?

#### ***DCMC/DCAA ROLE:***

- Compliance review authority
  - DoD Executive Agent
    - Advance Agreements
- Process based surveillance

#### ***Contractor ROLE:***

- Ownership of EVMS
- Use as a Management Tool
- Improve systems/processes

#### ***PMO ROLE:***

- EVMS Program Implementation
- Integrated Baseline Reviews (IBR)

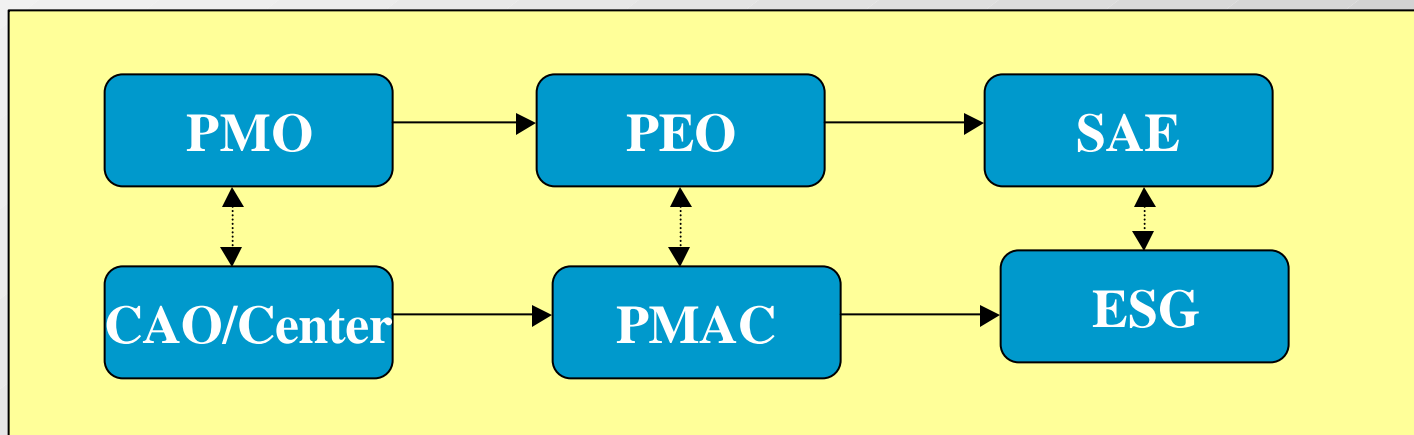
**Trusted Agents are needed to interface with each of the three major players in the field --- FIELD ADVOCATES ??**



## Role of the EVMS Center

How does advocacy work?

### Procuring Agency



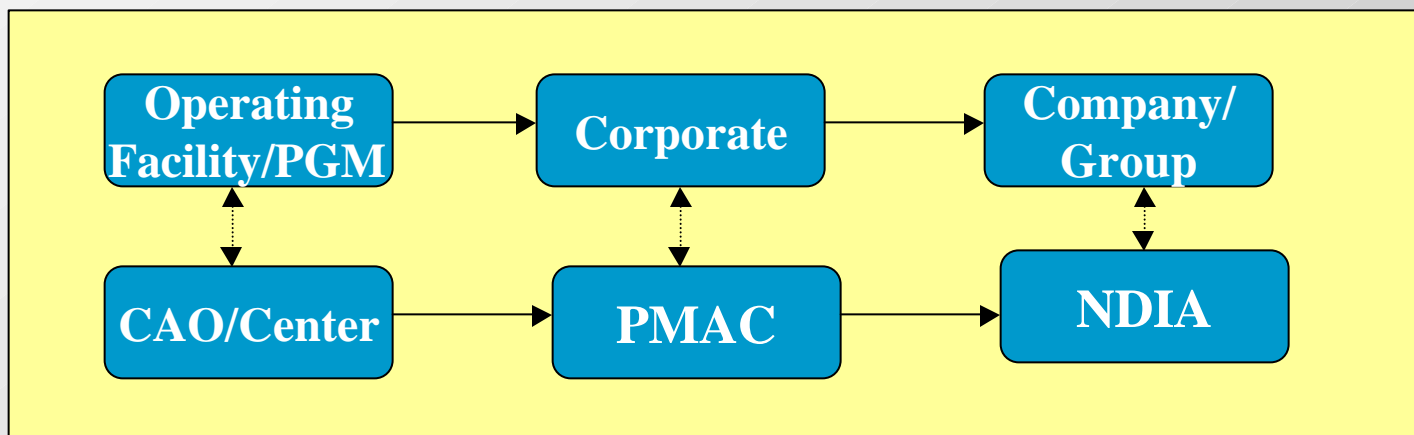
**Uniform and consistent policy developed by the Services from field inputs at PMAC (example = EV application policy and IBR guidance)**



## Role of the EVMS Center

How does advocacy work?

Contractor



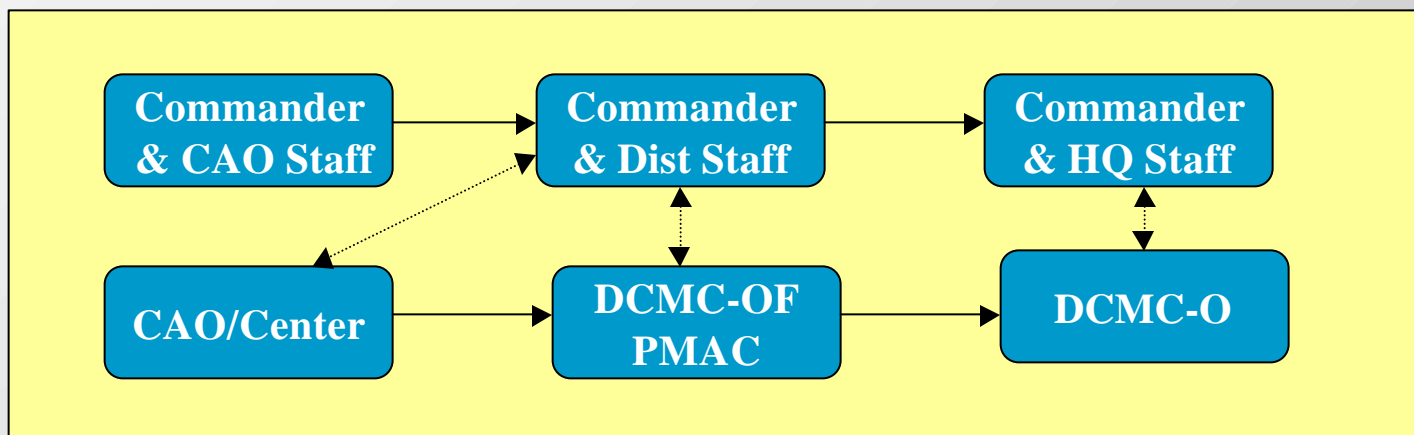
**Defense executives will learn from the Center about its competitors  
EV successes in the field - NDIA is a powerful influence**



## Role of the EVMS Center

How does advocacy work?

*Defense Contract Management Command*



**Center can be the voice of the field to advocate CAO best processes and practices to be shared across the Command**



# Role of the EVMS Center

## Field Advocacy Summary

- **Earned Value Management - How do we do this?**
  - Trusted Agents are needed to interface with each of the three major players in the field
- **Field Advocates?**
  - Yes. Field advocates surface real-time issues and best practices to facilitators - result is better support to field
- **How does advocacy work?**
  - **PMO** - Uniform and consistent policy developed by the Services
  - **Contractor** - NDIA is a powerful influence
  - **DCMC** - CAO best processes and practices to be shared across the Command



# Role of the EVMS Center

## EVMS Center Personnel

Director, Vacant	(310) 900-6700
Rosie Pominville, Administrative Support	(310) 900-6701
Gayle Brooks, EVMS Specialist	(310) 900-6702
Tom Bryant, EVMS Specialist	(310) 900-6705
Richard Carroll, EVMS Specialist	(310) 900-6703
Walter Juzefczyk, EVMS Specialist	(310) 900-6704
Chip Thomas, EVMS Specialist	(310) 900-6706

Homepage - <http://evms/dcmdw.dla.mil>

Hotline - 1-888-565-EVMS





# Role of the DCMC Program Integrator at the Field Facility Level



# Agenda

- **What is Program Integration?**
- **DCMC Policy**
- **Assignments**
- **Supporting Program Integrator and Team**
- **Memorandum of Agreement**
- **Program Plan**
- **Execution of Surveillance Plan**
- **Reporting**
- **Bellringer Report**
- **Points of Contact**



# What is Program Integration?

- **The coordination of all technical and business functions performed by Defense Contract Management Command (DCMC) for the Program Manager (PM)**
- **DCMCs integral role is supporting the PM. We are an extension of the PM.**
  - **Uniquely positioned to gather, analyze, and integrate performance information**
  - **Our multifunctional team is a good fit for the Integrated Product Team (IPT) environment**



# What is Program Integration?

- **The primary output and value of Program Integration is early insight to the PM/PMO**
- **Cost overruns and schedule slippages**
- **Anticipated and actual contract schedule delivery delays**



# DCMC Policy

- **Program Integrator (PI) to lead PST**
- **PIs shall serve on Program Integrating IPTs**
  - **Direct the efforts of PST assigned to working level IPTs**



# Assignments

- **DCMC CAO Commanders assign PIs**
  - **Factors to consider are leadership abilities, experience, ability to work with the PM at the integrating IPT level, and acquisition program experience**
- **The PI acts as the PST Team Leader**
  - **Other members may include ACO, Contract Administrator (CA), cost/price analyst, property administrator, transportation, packaging specialist, engineers, industrial specialist, Earned Value Management System Monitor, and quality assurance specialists**



## Supporting Program Integrator and Team

- **Major Subcontractor or remote prime locations may require:**
  - **Supporting Program Integrator (SPI)**
  - **Supporting PST (SPST)**
  
- **Establishment of a SPST is:**
  - **Determined by Commander at sub-location**
  - **Program Plan required**



# Memorandum of Agreement

- **The PI shall, with the PM, develop a Memorandum of Agreement (MOA)**
- **MOA identifies:**
  - **Key individuals**
  - **Relationship between CAOs as well as the PMO**
  - **Requirements for PI/PST surveillance of contractor cost, schedule, and technical performance**
  - **Defines the team's reporting requirements**





## Memorandum of Agreement (con't)

- **Program risks and key technical performance areas**
- **Activities necessary to achieve and maintain effective program support**
- **Specific details or concerns of the PM**
- **MOAs shall be referred to frequently during program surveillance activities**
  - **MOAs shall be updated as changes occur**
  - **Major changes shall require negotiating and signing a new agreement**
  - **At a minimum, MOAs shall be reviewed once a year**



# Program Plan

- **Is surveillance necessary?**
  - **DCMC ensures compliance with the terms and conditions of the contract**
  - **Aids the PST in implementing a proactive approach to contract administration**
- **Need for a Program Plan?**
  - **The Program Plan identifies how:**
    - **The PST will implement requirements outlined in the MOA**
    - **DCMC will be accomplishing program surveillance**



# Program Plan

- **A Program Plan shall be developed:**
  - **When a PST is appointed by the CAO**
  
- **The PI is responsible for development of the plan**
  - **Inputs from the PST members covering all the functional areas**



## Develop Program Plan (con't)

- **Surveillance Schedule**
  - **Based on key events**
- **Identification of PST members**
  - **SPIs and their roles and responsibilities**
  - **SPST members**
  - **Functional PST members**
- **Individual Surveillance Plans**
  - **Surveillance Plans prepared by the team**
  - **Details how they will evaluate**
  - **Process for PI monitoring PST/SPST task execution**



# Execution of Surveillance Plan

- **The PI ensures execution**
  - **By managing the efforts of the PST**
  - **Coordinates with team leaders to resolve all program support issues**
- **Execution includes**
  - **Routine daily surveillance**
  - **Communication**
  - **Coordination by all members of the PST**



# Execution of Surveillance Plan

- **PI/PST responsible for surveillance of contractor EVMS methods**
  - **Assess contractor cost/schedule variances**
  - **Assess planned corrective actions**
  - **Support similar PMO lead reviews**
  - **Assess the contractor's Estimate at Completion**
  - **Assist the PI and EVMS Monitor in performing Independent Estimates at Completion**



# Reporting

- **Who is responsible for reporting? The PI!**
- **Kinds of reporting**
  - **Program report to the PMO**
  - **Automated Metrics System**
    - **PI module**
    - **CPM module**
  - **Bellringers**
  - **To include results of EVM system surveillance**



# Reporting

- **PST cost/schedule performance analysis/IEAC information**
  - **Doesn't repeat CPR data**
  - **PST analysis should clarify/update CPR information**





# Bellringer Report

- **How to report? Bellringer “mailboxes” have been set up at HQs and Districts**
- **What does it do? The Bellringer process provides timely information to senior acquisition officials on procurement issues likely to make national news, precipitate congressional hearings or impact major programs**
- **Who is responsible for the Bellringer Report?**
  - **The cognizant CAO Commander has the responsibility to ensure that time sensitive, program information is provided to DCMC, Customer Support Team (DCMC-PA) in a timely manner**



# Bellringer Report

- **About the Bellringer Report**
  - **Written at the "executive" level with limited technical language and clearly spelled out acronyms**
  - **Fact-based information reports, dissemination to DLA, OSD, and Military Services senior leaders**
- **About the content**
  - **Format defined in the One Book**
  - **Include a brief statement of the facts**
  - **Assessment of the impact on continued contractor performance**



# Points of Contact

- **DCMC Headquarters:**
  - **CAPT Jerry Derrick, DCMC-PA**
  - **Phone: (703) 767-2392**
  - **E-Mail: jerry\_derrick@hq.dla.mil**
  
- **DCMDE:**
  - **Process Champion: Mr. Mike Corrente**
  - **Phone: (617) 753-3598**
  - **E-Mail: mcorrente@dcmde.dla.mil**
  
- **DCMDW:**
  - **Process Champion: Maj Scott Vesper**
  - **Phone: (310) 900-6587**
  - **E-Mail: svesper@dcmdw.dla.mil**



# Role of DCMC outside DoD

- **PMAC**
- **International Relations**
- **NASA**
- **Industry Guidelines**
- **Australian Exchange Position**
- **Industry Conferences**